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DE RUEHJI #0481 1971318 ZNY SSSSS ZZH P 161318Z JUL 06 FM AMCONSUL JEDDAH TO RUEHC/SECSTATE WASHDC PRIORITY 9345 INFO RUEHRH/AMEMBASSY RIYADH PRIORITY 6673 RUEHFR/AMEMBASSY PARIS 1554 RUCPDOC/DEPT OF COMMERCE WASHDC RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC RHEHAAA/NSC WASHDC RUEHRH/CHUSMTM RIYADH SA RUEHRH/OPM SANG RIYADH SA RUEKJCS/SECDEF WASHDC RHEHAAA/WHITE HOUSE WASHINGTON DC RUHGBAA/COMUSNAVCENT RUEOBBA/HQUSCENTAF SHAW AFB SC

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E.O. 12958: DECL: 07/16/2016

TAGS: MARR MASS MCAP KCOR PGOV PINR

SUBJECT: AMCIT REITERATES CONCERNS ABOUT SAUDI DEFENSE

CONTRACTS

REF: A) RIYADH 5450

Classified By: Consul General Tatiana Gfoeller for reasons 1.4(b) and (d).

- 11. (S/NF) SUMMARY: A U.S. citizen, who promotes American defense interests in the Kingdom, reported on a meeting he held with his SAG contact who participated in the SAG-French meeting in June about upcoming defense contracts. The AmCit told the Consul General on July 9 that the French are using deception tactics in trying to dissuade the SAG from purchasing American defense products. His statements and concerns were similar to those reported by a different contact in Reftel. Competition by the French and others for a share of the Saudi defense market is intense and may well include attempts at misinformation. Long-standing U.S.-Saudi military ties, including Saudi experience with U.S. training and equipment, will almost certainly negate any attempts by competitors to impugn U.S. intentions and technology. Saudi defense procurement decision-making will more likely be based on issues of price, releasability, quality of post-purchase product support, and perhaps, political interests in diversification. END SUMMARY.
- 12. (S/NF) On July 9, CG Jeddah met with a U.S. citizen who represents American defense interests in the Kingdom. This AmCit has a close SAG contact who participated in the meeting between the SAG and French delegation regarding issues of military sales contracts, particularly concerning the sales of aircraft and ships. In his meeting with the CG, the AmCit repeated some of what has been reported to Embassy Riyadh from its sources, namely that the French may be using overt deception and blatant lies in attempting to convince the SAG to purchase French, instead of American, defense products (Ref A).
- 13. (S/NF) The AmCit reported that during the meeting the French delegation made absurd claims regarding the quality and reliability of American ships and aircraft. He said that the delegation told the SAG that U.S. defense manufacturers utilize used parts from all over the world in their products, often times without the quality control necessary to ensure proper functioning. They continued that the U.S. manufactured ships are not sea-worthy and cannot withstand even the slightest stresses at sea. Similar claims were also

made regarding the unreliability of American manufactured aircraft.

- 14. (S/NF) The AmCit also told the CG that the deceptive comments from the French delegation were made by the French Consul General, Issa Maraut, personally. This information was not surprising as the CG is a close contact of Maraut and has recently observed a heightened level of anti-American sentiment from him. (BIO NOTE: Maraut previously served in Khartoum; he is a Frenchman of Syrian descent who has strong Arab nationalist tendencies. He prefers that all discourse in the French consulate be conducted in Arabic rather than French, which has angered many of our French contacts. Additionally, he reportedly brings to the consulate long experience with the French military industrial complex and is close to Prime Minister de Villepin. END BIO NOTE.)
- 15. (S/NF) COMMENT: Per Reftel U.S. Mission officers have recently heard a number of reports about French campaigning for a share of the Saudi defense procurement pie. As the French CG has known experience in this field, his lies had the potential to seem more credible. But Saudi military officials, who generally have years of experience with the U.S. and with U.S. military equipment, are not likely to be influenced by this bad-mouthing of U.S. defense technology. Price, a lack of releasability issues, the quality of post-purchase product support, for which the U.S. has a far better reputation, and, possibly, a political inclination toward diversifying sources of defense equipment and technology, stand a greater chance of influencing Saudi interest in French arms sales. END COMMENT.